

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



**CORRECTED
FISCAL NOTE**

HB 878 - SB 1182

April 3, 2009

SUMMARY OF BILL: Removes authority from the Department of Finance and Administration (F&A) to transfer any Department of Transportation (TDOT) funds, reserve accounts, programs in the Highway Fund, or other specified funds.

ESTIMATED FISCAL IMPACT:

On March 16, 2009, we issued a fiscal note for this bill indicating the following estimated fiscal impact:

Other Fiscal Impact – In future years when shortfalls exist, transfers from other state funds, reserve accounts, or programs would be required for year-end closings in lieu of any transfers that would have otherwise been made from transportation funds, transportation reserves, or the Highway Fund.

Based on information submitted by the Department of Finance and Administration (F&A), the Division of Budget, the fiscal impact of this bill is estimated as follows:

(CORRECTED)

Increase State Revenue – \$1,100,000/Highway Fund

Decrease State Revenue – \$1,100,000/General Fund

Other Fiscal Impact – In future years when shortfalls exist, transfers from other state funds, reserve accounts, or programs would be required for year-end closings in lieu of any transfers that would have otherwise been made from transportation funds, transportation reserves, or the Highway Fund.

Assumptions:

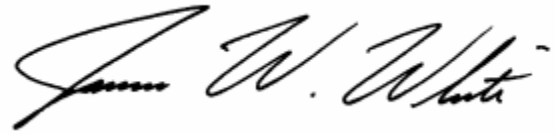
- This bill will limit the ability of F&A to manage shortfalls in the future. A transfer of \$55,800,000 was made from the Highway Fund for closing out FY05-06; a transfer of \$30,300,000 was made from the Highway Fund for closing out FY06-07.

HB 878 - SB 1182 (CORRECTED)

- The Commissioner of F&A is authorized under current law to transfer funds from the Highway Fund pursuant to Tenn. Code. Ann. § 47-18-1311.
- According to F&A, the Division of Budget, \$1,100,000 will be transferred for FY09-10 from the Highway Fund pursuant to Tenn. Code Ann. § 47-18-1311 (page A-11 of the Governor's FY09-10 Recommended Budget).
- F&A indicates that such transfers are administered on a recurring basis under current law and that this bill would preclude such transfers from occurring in the future. As a result, there would be a recurring increase to the Highway Fund of \$1,100,000 per year and a recurring decrease to the General Fund of \$1,100,000 per year.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" and last name "White" clearly legible.

James W. White, Executive Director

/rnc